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July 22, 1982

Mr. James W. Smith, Jr.
Coordinator of Mined Land Development
State of Utah Natural Resources and Energy
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, UT 84114

Reference: ACT/047/001

Dear Mr. Smith:

Based on discussions with Sally Kefer and Pam Grubaugh-Littig with respect to the reclamation costs set forth in John Hardaway's letter to you dated July 15, 1982 (note Attachment), we submit the following clarifying information:

1. As indicated in the first paragraph of John's letter, the activities covered by the initial bond to be issued under the Notice of Intent to Mine consist of site preparation work only. With the sole exception of the sedimentation pond spillway and post holes for peripheral fencing, these activities do not include any concrete foundation work.
2. We have agreed to adjust the topsoil replacement cost estimate set forth in Item 1 of John's letter from a total of \$12,000 to a total of \$15,356.
3. Our specifications indicate that concrete will be used to stabilize fence posts. For this reason, we agree that the costs of fence removal set forth in Item 6 of John's letter should be increased from \$1,200 to \$2,520.

According to our calculations, the upward adjustments described above would increase the total costs of reclamation for this phase of the project from \$104,300 to \$109,476. We will